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# The collapse of social welfarism is lethal

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A recent <u>article</u> (https://voxpublica.ro/2019/11/25/turul-ii-victoria-galactica/) in the Romanian press implied that most Romanian immigrants have left the country to reside in nations with stronger states and stronger systems of social service provision. The article was tackling the recent election results, where the Romanian electorate voted with <u>63 per cent (https://www.cbc.ca/news/world/romania-election-iohannis-dancila-1.5372030)</u> in favour of the right-wing candidate Klaus Iohannis over Viorica Dăncilă, the social democrat contender.

Amidst several claims, the article was aimed at the inherent ideological contradiction of the Romanian **diaspora** (https://voxpublica.ro/2019/11/25/turul-ii-victoria-galactica/), who tend to vote overwhelmingly in favour of right-wing electoral fractions in their native home (i.e., political groups that end up destroying the fabric of welfare provision in Romania) while residing in developed nations equipped with robust welfare states and, consequentially, profiting from strong social supports and efficient systems of benefit-provision.

It is a traditionalist reasoning that pits migrants versus national workers against one another, the same way that Greek and German workers were pitted against each other following the 2008 crisis. A reasoning that, ideologically speaking, annihilates the possibility of real political internationalism. A logic that subsequently resides in an erroneous understanding of the role of the western welfare state and its devolution within western democracies.

#### The rise of the welfare state

The primary role of the welfare state, since its European inception, was never to support well-being, but



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## It was the principle of **social insurance**

(https://www.oxfordhandbooks.com/view/10.1093/oxfordhb/9780199579396.001.0001/oxfordhb-9780199579396) that lead to the implementation of sickness, invalidity, and accident coverage in Germany as well as workers' compensation and unemployment insurance in Britain. During this time, Canada -- one of the archetypal examples of strong welfare democracies -- bestowed a minimalist role to its state. It was only after the First World War that **Canada introduced an income tax** (https://www.oupcanada.com/catalog/9780199022137.html), primarily aimed as an emergency, temporary measure that was later instated into permanency. And it was only after the Great Depression that most western European societies have moved towards the provision of services on universalistic grounds. Welfare would now be provided not only to financial contributors, but also as a matter of social rights allocation. It was the time of universal healthcare and old age security benefits.

#### The devolution period

### The 1973 oil crisis marked the **end of the golden welfare state era**

(https://www.oupcanada.com/catalog/9780199022137.html). Oil prices doubled, triggering increased purchasing costs and reduced consumer demand, and lead to high unemployment, high governmental spending and high deficit levels. Keynesianism, the economic theory that saw unemployment to be determined by low wages and aimed to fix it through raising the state's purchasing power and lowering of taxes on working people, was no longer seen as a viable doctrine.

The western welfare states were now excessively preoccupied with cutting down inflation and balancing the budgets. Setting the books straight translated instead into crawling back benefit provisions and implementing regressive social policies. Margaret Thatcher's reforms in the United Kingdom, or those of former premier Mike Harris in Ontario, Canada, are illustrative examples from the 1980s and the 1990s that marked the downhill spiraling of state-supported welfare provisions.

Added to the mix was the breakdown of the Soviet-style communist regimes, which further weakened the social welfarianism of western states. Capitalism triumphed and communism collapsed. There was no longer an enemy to fight against and no fears of a revolution. Well-being would now be unrestrictedly purchased as any other good on the free market.

#### The welfare state, collapsed

A recent <u>study (https://www.ippr.org/research/publications/state-of-the-north-2019)</u> conducted by the Institute for Public Policy Pescarch North (IPPRN) has found that mortality rates are higher in



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locations=RO&most\_recent\_value\_desc=true), after the U.S., China, Japan and Germany. At \$239,552.52 (USD), Romania's GDP sits as the 16th in the European Union (https://www.statista.com/statistics/685925/gdp-of-european-countries/) and is ranked 48th globally (https://data.worldbank.org/indicator/NY.GDP.MKTP.CD? locations=RO&most\_recent\_value\_desc=true).

The U.K.'s GDP is about 11 times higher than that of Romania, yet some parts of the U.K. have higher mortality rates than some parts of Romania. A finding difficult to ignore.

The relationship between class and health has been documented since the 1980s with the release of the **Black Report** (https://www.ncbi.nlm.nih.gov/pubmed/7118327), which first linked material deprivation with mortality and morbidity rates. It is widely known, by now, that the social determinants of health, including income and social status, education and employment or working conditions, whose provision formerly constituted the raison d'être of the western welfare state, are the strongest predictors of individual health throughout one's lifetime.

If you are rich, educated, and have a good job you might lead a healthy life and die old. If you are poor, uneducated, barely surviving in precarious forms of employment, you will most likely lead an unhealthy life and die young. The results of the IPPRN study are indicative of the precarious social fabric weaving a state that failed to provide social and financial support to its people.

It may seem that way from the East, but the sun never rises in the West.

Raluca Bejan is an assistant professor at St. Thomas University, Fredericton, where she teaches courses in social policy and social movements. She has a PhD and a MSW from the University of Toronto, and a BA in political sciences from the Lucian Blaga University, faculty of law, Sibiu, Romania. Raluca was a former visiting academic at the Centre on Migration, Policy and Society (COMPAS), University of Oxford, U.K., in 2016 and 2018.

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